

**Town of Essex  
29 West Avenue  
Essex, CT – Meeting Room A**

**Board of Finance  
February 18, 2016**

**MINUTES**

In attendance: Keith Crehan, Chairman, Campbell Hudson, Vice Chairman, Jeffrey Woods, Mary-Louise Polo, Vincent Pacileo, III. Absent: Don Mesite

Others in attendance: Norman Needleman, First Selectman  
Kelly Sterner, Finance Director  
James Francis, Treasurer  
Yvonne Roziak, Recording Secretary

Meeting was called to order at 7:03 p.m. by Keith Crehan.

**APPROVAL OF AGENDA:**

***Motion made by Jeffrey Woods to approve the agenda, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

**APPROVAL OF MINUTES:**

Keith Crehan requested a change under Approval of Minutes from the Regular Meeting Minutes of January 21, 2016 to read as follows on the second line: "specific fire trucks that were purchased were due to (add) "the" fact that they were the only trucks would be able to fit in the Ivoryton Fire House."

***Motion made by Vin Pacileo to accept the minutes (as amended) of the Regular Meeting Minutes of January 21, 2016, seconded by Jeffrey Woods. Passed unanimously. Motion carried.***

**FINANCIAL REPORT:**

**Revenues:**

Tax collections (current, prior years, interest and lien fees) totaled \$5,983,362 for the month bringing total collections as of 1/31/16 to \$19,538,813 or 89.49% of budget. While this continues to lag last year's collection rate of 92.68%, with the last day to make 2<sup>nd</sup> half payments in early February, we believe that we will be back in line with historical collection rates by the end of the month. Prior years and interest & liens have exceeded their full year budget totals. The anticipated collection of a significant past due we noted in last month's report did take place in February and will further boost these totals. State revenue for the month consisted of the second of the three ECS payments. This payment was not net of the rescission amount of \$24K so that will be incorporated in the final payment in April. Local revenue had another decent month at \$40.4K. Conveyance tax backed off a little this

month, but building fees of \$14K helped bring that revenue line to 56% of budget and the report for February will reveal an even better month for Building Permits. Total revenue as of January 2016 month end stood at 87.08% of budget versus 90.94% as of the prior year January month end.

**Expenditures:**

Expenditures for the month of January totaled \$941,866 bringing total YTD spending to \$13,825,062 or 59.46% of budget. This compares to a YTD total spending of 61.12% at January 2015. Spending for the month included a \$122.7K interest payment on existing general obligation bonds as well as the requested release of the second half of the Fire Department allocation in the amount of \$150K. We will start to see some costs associated with the recent winter weather (overtime, salt & sand, plowing and sanding). At this point we compare well against last year for costs associated with winter weather, but it ain't over 'til it's over. Overall, budget lines appear to be trending well and with the exception of the projected elementary school deficit, we currently don't foresee any trouble areas.

Norman and Kelly also addressed the recent chain of events with regards to one of the pipes bursting over the weekend and the damage caused in the Town Hall kitchen closet, floors, ceiling etc. It is currently in the process of being repaired and will most likely be covered by insurance. The voting tabulators were also in the closet at the time of this incident and are now damaged. The Registrars are working to find out how to get replacements prior to the primary and school referendum.

***Motion made by Jeffrey Woods to accept the Financial Report, seconded by Campbell Hudson. Passed unanimously. Motion carried.***

Kelly discussed the Connecticut Council of Municipalities seminar she attended recently and the three main items that were discussed. There was a panel of legislatures requesting structural changes as well as other items. The meeting was then opened up to the floor. Topics included municipal spending caps, prevailing wage, and the set aside (Public Works projects will require 25% of the total project cost to be set aside specifically for SBE – Small Business Enterprise) which will go from \$500K to \$50K. The State planned to hire 17 people at CHRO (Commission on Human Rights and Opportunities) however; they still do not have the man power and will push it out at least two years. Municipalities are asking for an increase in prevailing wage as well as a repeal of the 2.5% municipal spending cap. This is a soft cap in that for every \$1.00 you go over you lose \$.50 cents of the MRSA (Municipal Revenue Sharing Account) funds. The MRSA funds were supposed to have been funded all along however, it turns out that it has not even started to be funded. Pension costs for the State remain very high as well as retiree health insurance.

Kelly also distributed the recent town audit and indicated it was a clean audit.

**SELECTMEN'S REPORT:**

Norman feels things are going pretty well, except for the last storm. Lots of trees came down and heavy wet snow. He discussed the Board of Selectmen went thru budget last night and did a first pass and made some cuts. He indicated there will be two rollovers on the bond anticipation notes as they are each 9 month maturities. Norman indicated there could be a mil rate increase of approximately .47 as it stands now. He also stated that we may need to put in another \$30K for the resident state trooper. Other additional increases are nominal.

A new budget line item may be coming in the next budget year based on a meeting with

Middlesex Hospital and the recent hospital tax. District towns may need to start putting in a budget line to support the paramedic program for Middlesex Hospital. The hospital will propose to all the Towns in the district a fee based on \$1.00 per capita and increase by \$1.00 per capita/per year to eventually \$5.00 per year after 5 years. Norman indicated that these dollars are already included in our 2016-2017 budget.

Norman also discussed the new Essex Station affordable housing apartment complex. He read the property description and costs for 1 bedroom vs. 2 bedrooms based on income levels. The Public Hearing on this topic takes place before the Zoning Commission on Monday, January 22 at 7:00 p.m.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**COMMUNICATION AND CORRESPONDENCE:** None

**PUBLIC COMMENT:** None

**ADJOURNMENT:**

***Motion made by Keith Crehan to adjourn the meeting at 8:37 p.m., seconded by Vin Pacileo. Passed unanimously. Motion carried.***

Respectfully submitted,

Yvonne M. Roziak